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PERFORMANCE OF BOSTON CITY GOVERNMENT, 1967-81

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Boston Redevelopment Authority
Research Department

April 1981

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A measure of change in the performance of Boston City Government over time can be obtained by comparing the costs, in terms of municipal expenditures and employment, with the benefits. On the cost side of the balance sheet, it would be fundamental to know how the size of City government has fared in relation to the size of the City's economy. On the benefit side, the contributions to be measured could include changes in the range of public services provided, public improvements and the renovation of public infrastructure, impact on the City's economy and economic base, and standing of the City's credit-worthiness in the financial community. Other elements of evaluation that merit consideration might be the results of an independent audit by a reputable certified public accounting firm, modernization of property assessment practices, improvement in tax equity, and broadening of the revenue base.

Measured by these standards, Boston's performance has been extraordinary, and in all areas save the one over which the City has no control, the one that must wait on action by the State legislature and executive--namely, state and local tax reform and the broadening of the City's revenue base. Boston's exemplary fiscal performance, in fact, has been a principal determinant of the economic renaissance of the City, the Commonwealth and the New England region, and has led to their superior record in the current national economic recession, in comparison with the nation as a whole, and most regions and states, in terms of growth in employment and personal income.

An austerity program adopted in 1972 has led to a level of municipal expenditures (expressed in dollars adjusted for inflation) and employment that are less than those of 1972 and only slightly higher than those of 1967,

the year preceding the period of the present City administration. The move toward belt-tightening came about as a consequence of Boston's early sensitivity to the need to constrain the size of municipal government, especially in view of the limitations of an antiquated revenue base. In dollars of constant value (at 1980 prices), Boston municipal expenditures were $1,017 million in FY 1980, in comparison with $972 million in 1967, $1,066 million in 1972, and $1,197 million in 1976. (See Table 1.) The same patterns are shown in the trend of municipal employment. In 1967, without counting direct federally-funded workers, municipal employment, including school department employees, totalled 21,424. This level had risen to 24,368 in 1971, but was cut back to 21,919 in 1976, and 20,687 in 1980. (See Table 2.) With the inclusion of 3,604 federally-funded workers in this latter year, Boston municipal employment was 24,291. In relation to the size of the City's economy, Boston's municipal expenditures' share has not increased, representing 7.8 percent in 1967, 7.8 percent in 1972, and 7.5 percent in 1980. (See Table 3.)

Though municipal expenditures and employment levels have been stable in comparison with earlier years, the performance of Boston municipal government has noticeably advanced in measureable ways that count. One of the most dramatic aspects of change is seen in a 1967 and 1978 comparison of the composition of municipal employment by bureau and program. Thus, Boston, in 1978, did not have the 891 Welfare Department workers of 1967, but it had an Elderly Affairs Commission, an Office of Public Service, a Public Facilities Department, a Community School Program, and storefront health clinics. Boston no longer pays directly

for welfare, rightly taken over as a state function, but spends more for public improvements. The broadening and deepening of the role of Boston municipal government was achieved through change in structure and with no rise in municipal employment levels. (See Chart 1 and Table 4.) Outlays for public improvements in 1976, represented thirteen percent of total expenditures, in contrast to six percent in 1967, the end of an era of relative neglect of public infrastructure. (See Table 5.)

When the present administration took office in January 1968, Boston had experienced forty years of neglect of public facilities and a thirty-year drought in private investment, following the onset of the national depression in 1929. Boston was in an advanced state of decay. Rotting piers and obsolescent nineteenth century public buildings were matched by a deteriorating economic base and population flight. Some $700 million of City public investment, since the 1960s, helped induce $1,250 million of federal and state capital outlays--together bringing about a fundamental renovation of Boston's public infrastructure. (See Tables 6 and 7.) The change from neglect to fix-up is graphically highlighted by Boston's capacity to finance public infrastructure. Net funded debt has risen from the negligible, neglectful level of $59 million in 1956, and $142 million in 1967, to $545 million in 1980. (See Table 8.) The flow of public infrastructure investment, and the policy and planning which they represented, brought a restructured economy in tune with the future directions of that of the nation. (See Tables 9, 10, and 11.) Today, Boston is a thriving, attractive city, with expanding opportunity, experiencing an investment boom. (See Table 12.)

Boston's fiscal strategy succeeded in turning Boston around. The major commitment to substantially renew Boston's public infrastructure helped to induce a large flow of private investment, estimated at more than $15 billion since 1967, which fundamentally transformed and modernized Boston's economy, setting the stage for a notable growth potential in the 1980s.[1] Not since the 1920s and the turn of the century has Boston witnessed such a flow of resources.[2] The modernization of Boston's economic structure is graphically illustrated in the changing composition of employment highlighting the broad growth in a wide range of services activities, the recent stabilization of manufacturing activity with a growing role for high technology industry, and a revival in retail trade with a renewed suburban shopper participation. Much of Boston's services activities and high technology industry is geared for export to the Region, the Nation, and the World. (See Chart 2.)

The dynamo role of Boston's economy in the metro area and the New England region is evidenced by its 44 percent share of employment in services in the metro area, and the latter's 36 percent share of services activity employment in the New England region. (See Chart 3.) The special significance of this lies in the fact that services activities account for most of the recent growth in employment in the New England region and its stellar performance in the current economic recession in relation to that of the nation as a whole and most other regions. (See Chart 4.) Boston's dynamo role is also evidenced by one of the highest ratios of jobs to population of any large city. (See Chart 5.)

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1) Boston Redevelopment Authority Research Department, A Decade of Development in Boston, 1979.

2) Russell Adams, Boston's Money Tree, Boston 1977.

Of significance, also, Boston's bond issues have had broad acceptance in the municipal bond market, until the adoption of Proposition 2½ by Massachusetts voters in November 1980 forced the withdrawal of all of the State's 351 cities and towns from the bond market.

In 1980, Boston's financial statements received their first independent audit with the favorable verdict of "no surprises." The City's fiscal 1979 and 1978 financial statements were prepared in accordance with generally accepted accounting principles and were examined and reported on by Coopers and Lybrand. The audit report states that the City's 1979 and 1978 financial statements are fairly presented in accordance with generally accepted accounting principles, applied on a consistent basis, with two qualifications relating to two significant uncertainties. One relates to the estimated potential liability of tax abatement refund claims, and a second refers to accounts receivable for services rendered to indigent patients by the City's Department of Health and Hospitals. [1)]

A landmark advance toward the modernization of property assessment practices and improvement in tax equity was achieved with the issuance of property tax bills in October 1980, which represented a major step toward equalization and reduction of the dispersion of assessment rates. The billing, which increased the tax levy by $80 million, equal to an increase of eighteen percent, reflected

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[1)] Collector-Treasurer, City of Boston, Official Statement of the City of Boston, Massachusetts, relating to $30,000,000 General Obligation, Temporary Loan Notes in Anticipation of Revenue, October 20, 1980.

both an increase in assessments as well as in tax rates. An estimated one-third of the equalization task was achieved by raising assessments for under-assessed properties to the average assessment rate in 130 sub-areas of the City, and by property class, thereby both raising revenues and narrowing dispersion in assessment rates.

The record of performance of Boston City Government, 1967-81, is a merited source of pride. Boston's performance has been achieved with levels of municipal employment in relation to population that are in the middle range in comparison with other large cities. (See Chart 6.) At the same time, Boston, having but ten percent of the population of Massachusetts, accounts for seventeen percent of the revenue raised in the State, and provides for nineteen percent of the jobs. (See Tables 13 and 14.)

Table 1

COMPOSITION OF TOTAL EXPENDITURES BY THE CITY OF BOSTON, 1960-1980
(In millions)

Fiscal Year	(1) Total Expenditures (Current $)	(2) Implicit Price Deflator	(3) Total Expenditures (1980 $)
1960	228	3.27	746
1961	237	3.19	756
1962	247	3.08	761
1963	264	2.99	789
1964	283	2.92	826
1965	304	2.85	866
1966	337	2.71	913
1967	381	2.55	972
1968	409	2.42	990
1969	363	2.25	817
1970	451	2.08	938
1971	541	1.95	1,055
1972	576	1.85	1,066
1974*	(849)	1.67	(1,418)
1975	708	1.51	1,069
1976	855	1.40	1,197
1977	830	1.31	1,087
1978	870	1.23	1,070
1979	945	1.14	1,077
1980(p)	967	1.05	1,017

* Covers 18-month period of transition from calendar to fiscal year practice.

Source: Column 1 Total Expenditures from City of Boston and County of Suffolk, Auditing Department, Annual Reports, 1960-1979, and from Auditing Department Records (Cooper and Lybrand Interim Report) for preliminary 1980 expenditures. Compiled by BRA Research Department, Lisa Flanagan, December 1980 and Gregory Perkins, March 1981.

Column 2 Implicit Price Deflators series of state and local government purchases of goods and services from Economic Report of the President, 1981, Table B-3, "Implicit Price Deflators for Gross National Product, 1929-1980" p. 237 for 1960-1979. Preliminary 1980 Deflator from Survey of Current Business, Jan. 1981, Table 7.1-7.2, "Implicit Price Deflators and Fixed Weighted Price Indexes, 1972 Weights, for Gross National Product," p. 20. Actual 1974-1980 Deflators are for mid-year values to correspond with fiscal years. See footnotes .

(Continued)

Table 1 (continued)

Sources continued:

Column 3 Total expenditures in constant 1980 dollars is the product of Columns 1 and 2.

Note: * From 1960-1972, the fiscal year and the calendar year were the same. Since 1974 the fiscal year runs from the twelve months beginning July 1 of the previous year. 1974 also includes the first half of 1973 in order to cover the gap between series.

**Implicit price deflators used for 1974-1980 are interpolated as mid-year values in order to correspond to fiscal years.

Table 2

BOSTON CITY GOVERNMENT EMPLOYMENT
1947-1980

Year	Total	Municipal	School	School As a % Of Total
1947	19,234	13,315	5,919	31
1948	20,507	14,732	5,775	28
1949	21,848	16,119	5,729	26
1950	22,011	16,210	5,801	26
1951	21,683	15,816	5,867	27
1952	22,385	16,409	5,976	27
1953	21,863	16,315	5,548	25
1954	21,632	16,095	5,537	26
1955	21,554	15,777	5,777	27
1956	21,757	15,943	5,814	27
1957	21,488	15,826	5,662	26
1958	21,455	15,821	5,634	26
1959	21,354	15,835	5,519	26
1960	21,071	15,535	5,536	26
1961	20,071	14,660	5,411	27
1962	19,890	14,404	5,486	28
1963	19,828	14,296	5,532	28
1964	19,919	14,092	5,827	29
1965	20,217	14,080	6,137	30
1966	20,503	14,101	6,402	31
1967	21,424	14,575	6,849	32
1968	22,089	14,828	7,261	33
1969	21,759	14,190	7,569	35
1970	23,262	15,065	8,197	35
1971	24,368	16,211	8,157	33
1972	24,286	16,058	8,228	34
1973	23,938	15,544	8,394	35
1974	21,931	14,157	7,774	35
1975	22,300	14,324	7,976	36
1976	21,919	14,106	7,813	36
1977	21,522	13,468	8,054	37
1978	20,379	12,151	8,228	40
1979	20,989	12,972	8,017	38
1980	20,687	12,752	7,935	38

Source: City of Boston Auditing Department, Annual Reports, 1947-1979 and Boston Municipal Research Bureau, 10/7/80.

Compiled by BRA Research Department, 1980-1981.

Note: The above figures include permanent, temporary, emergency, and part-time employees on City payrolls on February 1st of each year except employees whose salaries are funded from federal or special sources.

Table 3

BOSTON MUNICIPAL EXPENDITURES;
COMPARISON WITH BOSTON GROSS CITY PRODUCT
(Millions of Dollars)

	Boston Municipal Expenditures	Boston Gross City Product		Municipal Expenditures As a Percent Of Gross City Product
	Dollars of Constant Value at 1980 Prices	Current Year Dollars	Dollars of Constant Value at 1980 Prices	
1967	$972	$5,540	$12,520	7.8
1972	1,066	7,637	13,593	7.8
1980	1,017	13,632	13,632	7.5

Sources: Column 1 - See Table 1.

Columns
2&3 - Sources and Methodology are described on the following page.

Column 4 - Column 1 ÷ Column 3.

(Continued)

Sources and Methodology

Gross product is the total value of goods and services produced within an area, or formally defined as "the aggregate earnings of labor and property .... less the intermediate products purchased." This measure provides a good view of the productive activity of the economic areas.

A detailed series, gross national product, is compiled regularly for the United States economy. For regions and states, gross product is derived by using the "Kendrick-Jaycox" method which relates the components of gross product to income received (earned income) by detailed industry level, utilizing ratios for the U.S. economy.[1] The Kendrick-Jaycox method is a widely used means of estimating gross state product for analysis of regional and state economic trends.

The Federal Reserve Bank of Boston uses the Kendrick-Jaycox method to derive an historical series of New England Gross Regional Product and Gross State Product for each state.[2] The Massachusetts series for 1950-1978, prepared by the Federal Reserve Bank of Boston, is presented in the accompanying table. For 1979 and 1980 Massachusetts Gross Product is derived by using the direct relationship between state earned income and state gross product for the most recent year of the FRB series, 1978.[3]

Boston Gross City Product is calculated utilizing the Massachusetts state gross product series, the state earned income series and the Suffolk County earned income series, adjusted for the four percent of th county economy outside of the City of Boston. This procedure is used for the 1950-1978 years. Gross City Product for 1979 and 1980 is then estimated from the State Gross Product series for those two years according to the ratio of city to state gross product in 1978 indexed for changes in the ratios of employment in Boston and in the state in 1978, 1979 and 1980.[4]

Two other aspects of the estimates for 1980 should be noted. Both State and City Gross Product series for 1980 are based on the second quarter average earned income series from the Bureau of Economic Analysis, the latest available information. A review of past quarterly series reveals that second quarter information understates annual average earned income. Secondly, the constant dollar 1980 series is based upon the implicit price deflator of Gross National Product for June, 1980.[5]

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1) John H. Kendrick and C. Milton Jaycox, Southern Economic Journal, "The Concept and Estimation of Gross State Product," Vol.32, No.2 October 1965, pp.153-168.

2) Grace F. On, New England Economic Indicators, April 1980, "Gross State Product; New England," Federal Reserve Bank of Boston.

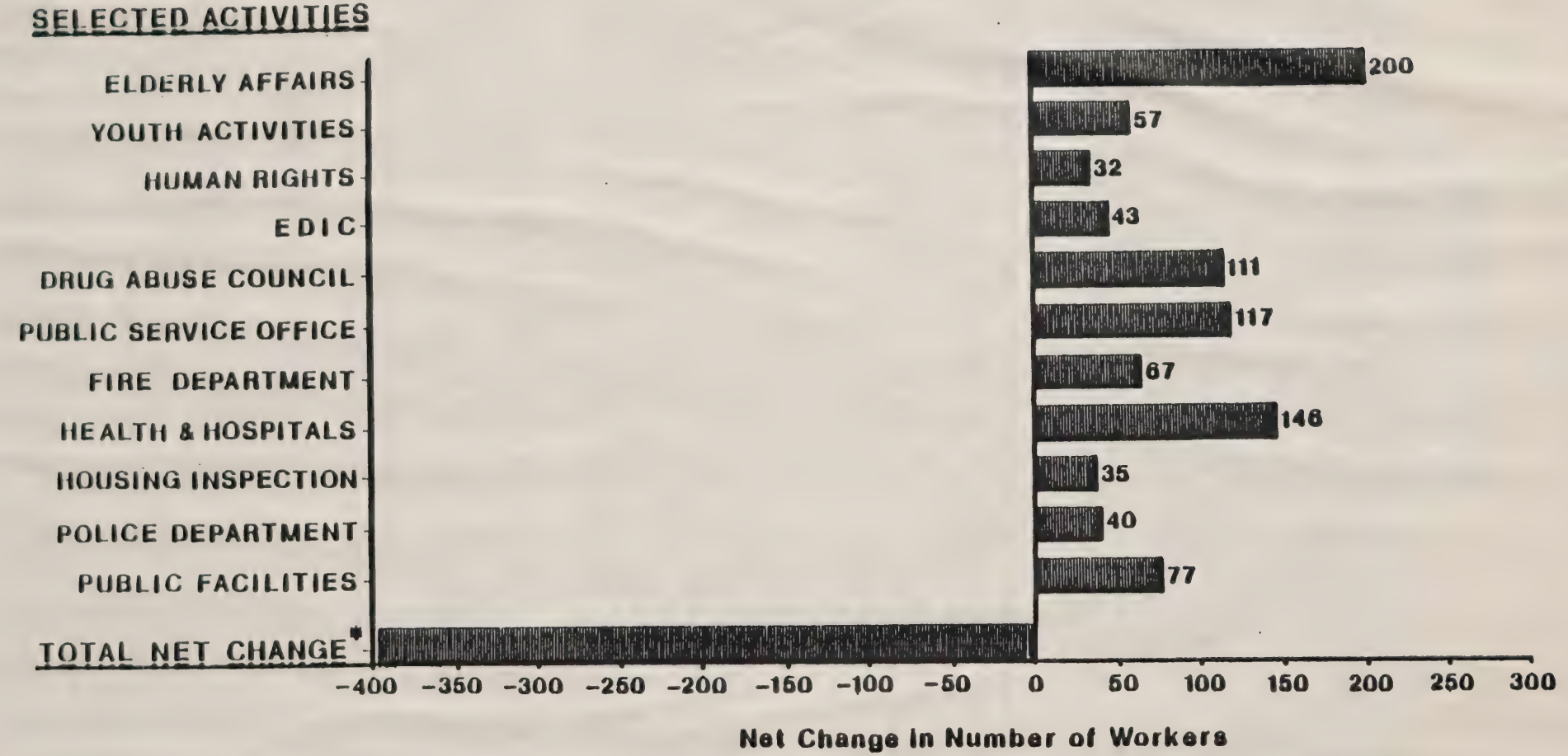
3) U.S. Department of Commerce, Bureau of Economic Analysis," Major Source of Personal Income," Massachusetts, October 1980 and Suffolk County, April 1980.

4) Massachustts Division of Employment Security, January 1981, ES-202 Repo

5) U.S. Department of Commerce, Table 19, Survey of Current Business, November 1980, and The Economic Report of the President, 1980.

BROADENING BOSTON'S RANGE OF PUBLIC SERVICES-

CHANGE IN THE NUMBER OF MUNICIPAL WORKERS 1967-1978



*Includes 1,783 CETA Workers in 1978

Source: City Auditing Dept., Boston Municipal Research Bureau, April 1979

Table 4

CITY OF BOSTON EMPLOYMENT BY DEPARTMENT
1967-1978

	1967[1] (2/1)	1978[1] (12/26)	CETA Workers 1978 (12/15)	Total 1978 (Dec.)	Increase 1967-78	Decrease 1967-78	No Change 1967-78
Mayor's Office	16	34	13	47	+31		
Animal Control Commission							
Board of Rent Appeal		34	6	40	+40		
Civil Defense Activities	14					-14	
Bond Allotment Plan	5	2		2			-3
Office of Housing			41	41	+41		
Commission on Affairs of the Elderly		95	105	200	+200		
Public Celebrations Department							
Model Cities Program							
Model Neighborhood Board							
Neighborhood Improvement	23					-23	
Conservation Commission							
Youth Activities Bureau	35	92		92	+57		
Human Task Force (Human Rights)		24	8	32	+32		
Economic Development and Industrial Comm.		15	28	43	+43		
Council on Drug Abuse		6	105	111	+111		
Safe Streets Act							
Consumer Activities		9	26	35	+35		
Cultural Activities		4	32	36	+36		
Office of the Bicentennial							
Office of Development	3					-3	
Office of Public Service		110	7	117	+117		
City Council	9	9		9			+0
City Council Officers and Employees	18	28		28	+10		
Administrative Services Department							
Director's Office	8	11		11	+3		
Manpower Planning							
Personnel and Budget Division	30	72	1	73	+43		
Public Service Careers							

Table 4 (cont'd)

	1967[1] (2/1)	1978[1] (12/26)	CETA Workers 1978 (12/15)	Total 1978 (Dec.)	Increase 1967-78	Decrease 1967-78	No Change 1967-78
Purchasing Division	28	27		27		-1	
Printing Section	85	67		67		-18	
Complaints Division	2					-2	
Data Processing	21	45	1	46	+25		
Air Pollution Commission	105	83	23	106	+1		
Assessing Department	60	56	1	57		-3	
Auditing Department	7	9	2	11	+4		
Auditorium Commission							
Boston Arena	22	31	1	32	+10		
Boston Retirement Board	148	169	25	194	+46		
Boston Traffic Department	148	122	4	126		-22	
Building Department	9	8		8		-1	
Board of Appeal	5	5		5			+0
Board of Examiners	15	14		14		-1	
City Clerk Department	36	32		32		-4	
Registry Division	1	2		2	+1		
City Record, Publication of		4	1	5	+5		
Conservation Commission	42	62	1	63	+21		
Election Department							
Emergency Employment Act-Administration	7	6		6		-1	
Finance Commission	2,058	2,114	11	2,125	+67		
Fire Department	1					-1	
Government Center	273					-273	
Community Health Services							
Hospital Department	3,459	3,200	249	3,449		-10	
Hospital Division	389	378	2	380		-9	
Sanatorium Division	381	512	15	527	+146		
Long Island Hospital Division							
Housing Inspection Department	77	91	21	112	+35		
Housing Inspection Division	18	15		15		-3	
Weights and Measures Division	58	50	3	53		-5	
Law Department	6	4		4		-2	
Workmen's Compensation Service							

	1967 (2/1) [1]	1978 (12/26) [1]	CETA Workers 1978 (12/15)	Total 1978 (Dec.)	Increase 1967-78	Decrease 1967-78	No Change 1967-78
Library Department	780	526		526		-254	
Licensing Board	13	14		14	+1		
Parks and Recreation Department	568	384	203	587	+19		
Cemetery Division	55					-55	
Police Department	2,849	2,673	216	2,889	+40		
Public Facilities Department	6	78	5	83	+77		
Public Works Department	1,385	658	341	999		-386	
Central Office	41						
Automotive Division	123						
Bridge Service	64						
Highway Service	532		86				
Sanitary Service	231		22				
Sewer Service	104		3				
Survey Division	54						
Water Division	236		24				
Office of Federal Relations		3		3	+3		
Office of Fiscal Affairs		11	3	14	+14		
Office of Property Equalization		11	1	12	+12		
Real Property Department							
Real Property Division	15	16	123	139	+124		
Buildings Division	204	113		113		-91	
Market Division	5					-5	
County Buildings		17		17	+17		
Treasury Department							
Collecting Division	75	50	3	53		-22	
Treasury Division	29	24	15	39	+10		
Veterans' Service Department	73	47	4	51		-22	
Veterans' Graves Registration	3	3		3			+0
Welfare Department	891					-891	
Licensing Division		4		4	+4		
Hospital and Insurance Plan		7		7	+7		
Community Services Administration		3		3	+3		

Table 4 (cont'd)

	1967 (2/1) [1]	1978 (12/26) [1]	CETA Workers 1978 (12/15)	Total 1978 (Dec.)	Increase 1967-78	Decrease 1967-78	No Change 1967-78
ommunity School		96	137	233	+233		
riminal Justice		6		6	+6		
SUBTOTAL	14,573	12,395	1,783	14,178	+1,730	-2,125	
chool Building Department	67	(66)	1977				
chool Department	6,782	8,328	(Oct.)				
TOTAL	21,422	20,789					
PA			725				
A		135					

Number of permanent, temporary, emergency, and part-time employees on the City of Boston Payroll as of the given daies -not including federally funded employees.

Source: 1967 from City of Boston Auditing Department, Annual Report for the Eighteen Months Ended June 30, 1974; 1978 and CETA from the Boston Municipal Research Bureau, April 1979.

Table 5

CITY PUBLIC INVESTMENT SHARE IN
BOSTON MUNICIPAL EXPENDITURES
(Millions of Dollars)

	Boston Municipal Expenditures		Capital Outlays As a Percent of Total
	Total	Capital Outlays	
1960	228	8	3.5
1961	237	6	2.5
1962	247	10	4.0
1963	264	15	5.7
1964	283	14	4.9
1965	304	14	4.6
1966	337	20	5.9
1967	381	23	6.0
1968	409	30	7.3
1969	363	32	8.8
1970	451	58	12.9
1971	541	77	14.2
1972	576	73	12.7
1974*	849	71	8.4
1975	708	90	12.7
1976	855	108	12.6
1977	830	59	7.1
1978	870	45	5.2
1979	945	47	5.0
1980	967	62	6.4

* Covers 18-month period of transition from calendar to fiscal year.

Source: See Table 1.

Table 6

CITY OF BOSTON CAPITAL EXPENDITURES[1]
BY FUNCTION

($ million)

	Public[2] Schools	Urban[3] Renewal	Municipal Buildings	Health and Hospitals	City Streets	Water & Sewer	All[4] Other	Total
1962-66	$ 7.7	$ 3.8	$37.4	$ 6.5	$12.9	$ 4.1	$ 5.2	$ 77.2
1967/72	98.4	43.3	34.9	33.7	25.0	8.4	57.8	301.7
1974-77[5]	155.0	51.2	25.3	40.7	23.4	7.8	34.3	337.9
TOTAL	$261.1	$98.3	$97.6	$80.9	$61.3	$20.3	$97.3	$716.8

1. Outlays principally from the city's capital improvement fund; total also includes $18.3 million from general revenues.
2. Approximately 40 percent of these expenditures were eligible for reimbursement from the state.
3. Approximately 35 percent of these expenditures are eligible for reimbursement from the state.
4. Includes expenditures for parks and recreation, libraries, parking facilities, and various public works projects.
5. Due to a change in the city's fiscal year, 1974 includes expenditures for the 18 month period from January 1, 1973 through June 30, 1974.

Source: Unpublished data from the City of Boston, collected by the Urban Institute.

(From The Urban Institute, The Future of Boston's Capital Plant, Washington, D.C. April 1981)

Table 7

PUBLIC CAPITAL EXPENDITURES IN BOSTON BY FINANCING SOURCE, 1962-1977[1]

(in millions)

Source	Public Schools	Urban Renewal	Water and Sewer	Highways and Streets	Mass[2] Transit	Airport and Port	Municipal Buildings	Health and Hospitals	Misc.	Total
City of Boston	$192	$ 57.6	$ 50.8	$ 61			$84.4	$80.9	$ 90.4	$617.2
Regional and Local Authorities			30	109	$137	$395			15.5	686.5
Commonwealth of Massachusetts	69	11.2	4.2	74						158.4
Federal Government		270	135.5	97	115	24		7.3	35	683.6
TOTAL	$261	$338.8	$220.3	$341	$252	$419	$84.4	$88.2	$140.9	$2145.7

1. In some cases financial data was only available from 1964 to 1977.
2. Does not include $91 million for rolling stock purchases between 1964 and 1977.

Sources: Figures from local records of the City of Boston and County of Suffolk, the Metropolitan District Commission, the Massachusetts Bay Transportation Authority, the Massachusetts Port Authority, the Massachusetts Turnpike Authority; and state and federal government aid to each of these sources.

(From The Urban Institute, The Future of Boston's Capital Plant, April 1981)

Table 8

CITY OF BOSTON NET FUNDED DEBT
(Millions of Current Dollars)

Year	Net Funded Debt
1930	$110
1931	119
1932	127
1933	136
1934	134
1935	135
1936	133
1937	130
1938	133
1939	131
1940	128
1941	124
1942	119
1943	110
1944	102
1945	95
1946	93
1947	96
1948	99
1949	75
1950	75
1951	71
1952	69
1953	65
1954	64
1955	61
1956	59
1957	71
1958	112
1959	103
1960	101
1961	97
1962	95
1963	95
1964	109
1965	111
1966	118
1967	142
1968	158
1969	176
1970	211
1971	264
1972	326
1973	-
1974	365
1975	377
1976	431
1977	472
1978	500
1979	527
1980	545

Source: City of Boston Auditing Department annual reports.

Table 9

Composition of Employment in Boston
(In Percent)

	1950	1978
Manufacturing	19	11
Services		
(Transportation, Communication, and Public Utilities, Finance and Insurance, Business and Professional Services)	32	52
Trade	27	17
Government	15	16
Construction and Other	7	4
Total	100	100

SOURCES: U.S. Bureau of Economic Analysis, Mass. Dept. of Employment Security, Boston Redevelopment Authority.

Table 10

EMPLOYMENT IN BOSTON (SUFFOLK COUNTY) BY MAJOR INDUSTRY

	1976	1977	1978	1979 [a]	1980 [b]
Fishing and Horticulture	840	681	610	621	698
Construction	9,567	8,842	9,486	10,291	11,887
Manufacturing	56,492	57,226	56,381	57,254	56,694
Transportation, Communications & Public Utilities	35,114	34,921	34,343	35,847	38,373
Trade	93,099	92,265	90,168	92,298	92,805
Wholesale	32,863	32,521	29,282	30,116	31,686
Retail	60,236	59,744	60,886	62,182	61,119
Finance, Insurance, Real Estate	62,858	63,558	64,883	66,242	70,009
Services	163,851	166,497	178,198	186,589	193,182
Proprietors	10,989	11,289	11,778	11,965	12,353
Government	88,592	86,637	87,395	92,164	94,667
TOTAL	521,402	521,896	533,242	553,271	570,667

a. 1979 based on annual employment reports from Mass. Division of Employment Security.
b. 1980 estimated on the basis of change over the 12 month period, first quarter 1979 to first quarter 1980, as reported by the Mass. Division of Employment Security.

Source: Boston Redevelopment Authority Research Department based on U.S. Bureau of Economic Analysis Employment Series for Suffolk County.

Table 11

PROJECTED BOSTON EMPLOYMENT, 1985 AND 1990

istry	U.S. Employment 1977(000s)	Boston Employment 1977	Bos./U.S. Ratio Per Thous. 1977	Estimated 1980	Projected 1985	Projected 1990
iculture	370	530	1.43			
estry/Fisheries	36	53	1.47			
al	406	583	1.44	544	552	589
ing	822	34	.04			
struction	3,881	7,914	2.04	9,168	9,713	11,196
ufacturing	19,734	53,763	2.72	54,908	58,692	63,989
urables	11,631	20,393	1.75	20,827	23,593	25,893
Lumber & Wood	728	473	.65		465	498
Furniture & Fixtures	468	833	1.78		970	1,085
Stone, Clay & Glass	669	453	.68		472	492
Primary Metals	1,186	842	.71		912	937
Fabricated Metals	1,577	7,025	4.45		8,162	8,947
Machinery	2,178	4,390	2.02		5,237	5,926
Electrical Machinery	1,876	2,153	1.15		2,518	2,772
Transportation Equipment	1,887	1,070	.57		1,253	1,369
Instruments	619	1,701	2.75		1,982	2,185
Misc. Manufacturing	443	1,453	3.28		1,620	1,682
on-Durables	8,103	33,370	4.12	34,081	35,099	38,096
Food	1,711	7,244	4.23		7,066	7,466
Textiles	911	390	.43		369	401
Apparel	1,321	8,936	6.76		9,827	10,945
Paper	692	1,230	1.78		1,271	1,422
Printing/Publishing	1,145	11,745	10.26		12,693	13,659
Chemicals/Allied	1,080	1,606	1.49		1,745	2,067
Petroleum	200	232	1.16		193	202
Tobacco	70	-	-	-	-	-
Rubber & Plastic	716	351	.49		499	572
Leather	257	1,636	6.37		1,437	1,362
nsportation, mmunication, & lic Utilities	4,152	32,982	7.94	33,632	36,431	36,900
ocal Transit	258	2,133	8.27		2,475	2,477
rucking & Warehousing	1,217	3,965	3.26		4,721	4,669
ater Transportation	194	1,201	6.19		1,910	1,994
ir Transportation	386	7,140	18.50		7,842	8,206
ransportation Services	158	1,588	10.05		1,963	2,208
ommunications	1,190	12,285	10.32		12,777	12,857
ublic Utilities	749	4,670	6.23		4,743	4,489

Table 11 (continued)

Industry	U.S. Employment 1977(000s)	Boston Employment 1977	Bos./U.S. Ratio Per Thous. 1977	Estimated 1980	Projected 1985	Projected 1990
Trade	18,624	84,676	4.55	87,166	98,260	100,498
Wholesale	4,737	29,827	6.30	27,931	32,930	32,378
Retail	13,887	54,849	3.95	59,235	65,330	68,120
Finance, Insurance and Real Estate	4,528	63,366	13.99	66,130	74,280	76,949
Credit Agencies	478	1,714	11.83		20,683	22,822
Securities/Commodities	183	6,105				
Insurance Carriers	1,142	27,347	20.81		9,799	10,336
Insurance Agents	377	4,415				
Other Insurance	18	224				
Real Estate	874	6,856	7.81		35,892	35,939
Other Real Estate	10	48				
Banking	1,358	15,082	11.52		7,915	7,852
Holding/Investment	88	1,575				
Services	17,160	161,988	9.44	183,388	201,022	223,214
Business and Personal	5,847	39,917	6.83	45,363	51,543	62,034
Hotel	971	4,971	5.12		7,968	9,649
Repair	245	878	4.38		6,293	6,715
Personal, Barber, Beauty	870	4,006				
Misc. Business and Advertising	2,373	22,586	9.52		28,057	34,807
Auto Repair	504	3,461	6.87		4,222	4,878
Motion Pictures	210	1,443	6.87		1,758	2,229
Amusement/Recreation	674	2,572	3.82		3,245	3,756
Professional	11,313	122,071	10.33	138,025	149,479	161,180
Health	4,589	47,972	10.45		60,199	66,817
Education	1,096	27,497	25.09		34,905	37,135
Non-Profit	2,519	11,668	7.28		14,422	15,411
Private Household	1,921	1,977	1.03		2,725	2,768
Misc. Professional	1,188	32,957	23.01		38,635	40,456
Private Sub-total	69,307	405,306	5.84	434,890	478,950	513,288
Government	17,813	85,882	4.82	11,537	11,550	11,584
Proprietors	9,044	10,860	1.20	93,527	94,500	95,128
Total	96,164	502,048	5.22	540,000	585,000	620,000

Sources: U.S. - U.S. Bureau of Labor Statistics and U.S. Bureau of Economic Analysis

Boston - Boston Redevelopment Authority, U.S. Bureau of Economic Analysis, and Masssachusetts Department of Employment Security.

Table 12

DEVELOPMENT PROJECTS UNDERWAY AND PLANNED IN BOSTON

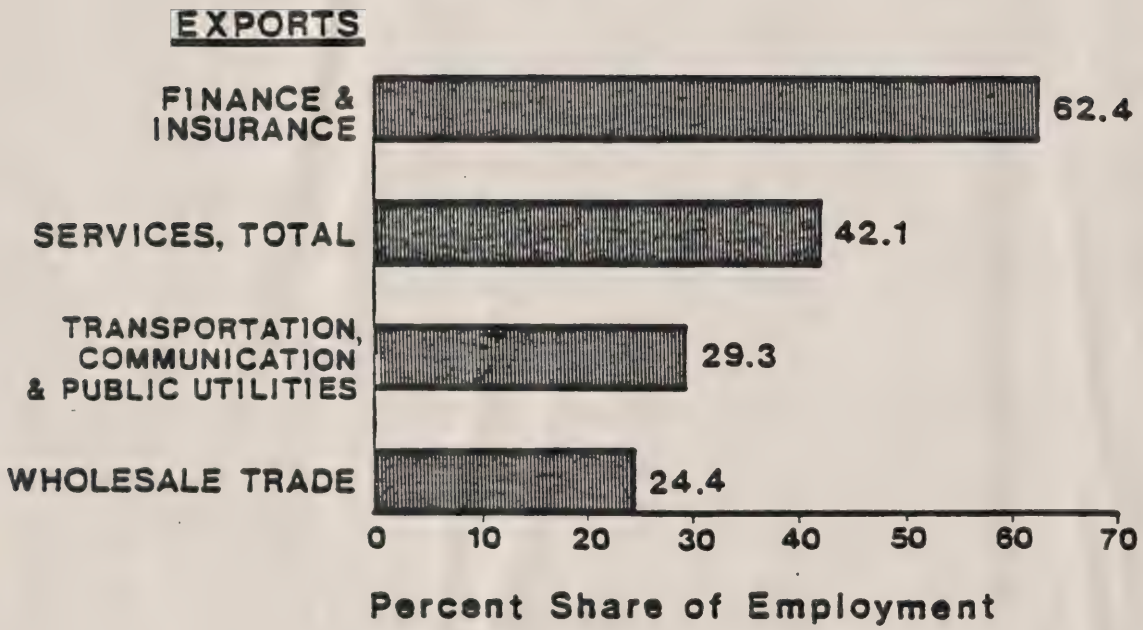
		Development Cost (Millions)	Physical Unit of Measure	Construction Jobs (Man Years)	Permanent Jobs
I.	Office Buildings	$450	5,000,000 sq.ft.	10,125	20,000
II.	Hotels	400	5,000 rooms	9,000	3,330
III.	Retail	88	1,100,000 sq.ft.	1,700	3,143
IV.	Industrial*	151	3,026,000 sq.ft.	1,684	8,646
V.	Housing	218	3,651 housing units	3,275	50
VI.	Medical	275	1,188,000 sq.ft.	3,960	3,015
VII.	Higher Education	112	-	1,620	4,590
VIII.	Cultural Facilities	179	-	3,157	1,790
IX.	Public Transportation	2,680	-	33,761	-
X.	Other Private	217	-	2,732	-
XI.	Other Public	1,059	-	13,346	-
	TOTAL	$ 5,829	10,314,000 sq.ft. 5,000 rooms 3,651 housing units	84,360	44,564

* New and Renovation/Conversions.

Source: Boston Redevelopment Authority, Planning for Boston's Next Decade of Development, 1980-90 (Draft report)

Chart 2

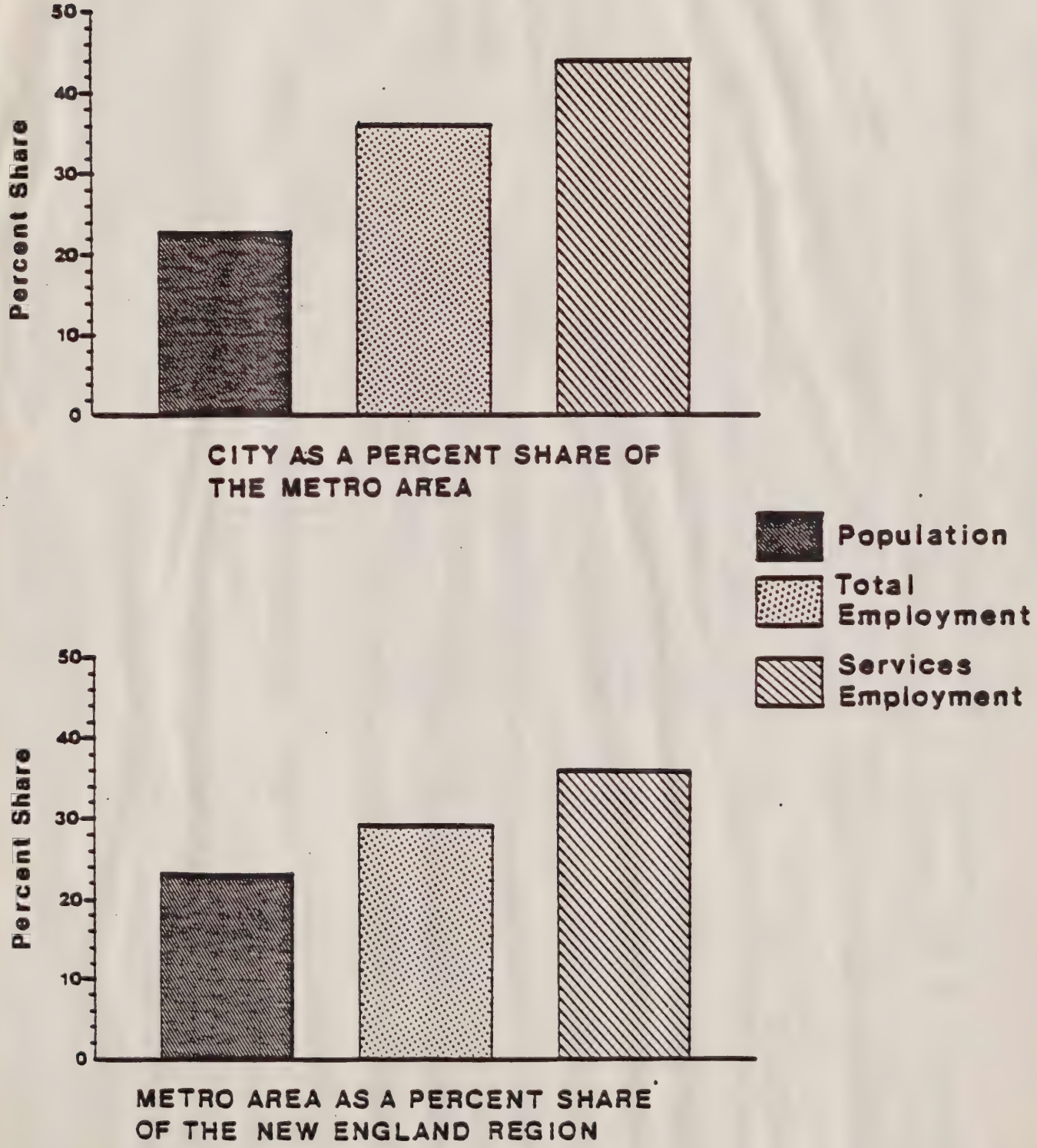
EXPORT ROLE OF BOSTON'S JOBS, 1976



Source: U.S. B.E.A. and B.R.A. Research Dept.

Chart 3

BOSTON'S ROLE IN THE METRO AREA AND NEW ENGLAND REGION



Source: B.R.A., U.S.Census Bureau, U.S. Bureau of Labor Statistics,

Chart 4

New England Recession Watch

Employment 1979-1980

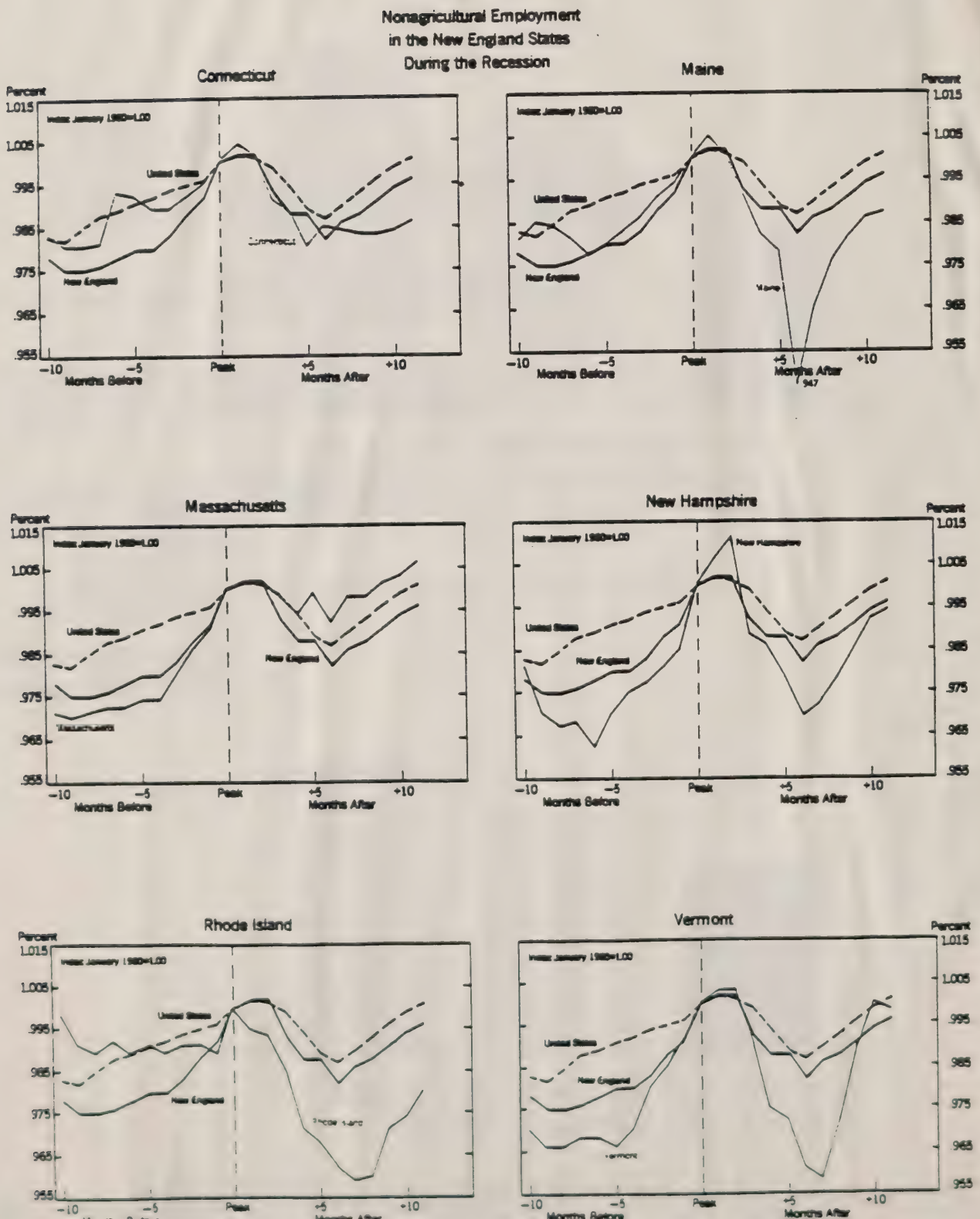


Chart 5

BOSTON AS DYNAMO

COMPARISONS OF JOB-POPULATION RATIOS, BOSTON AND OTHER MAJOR CITIES

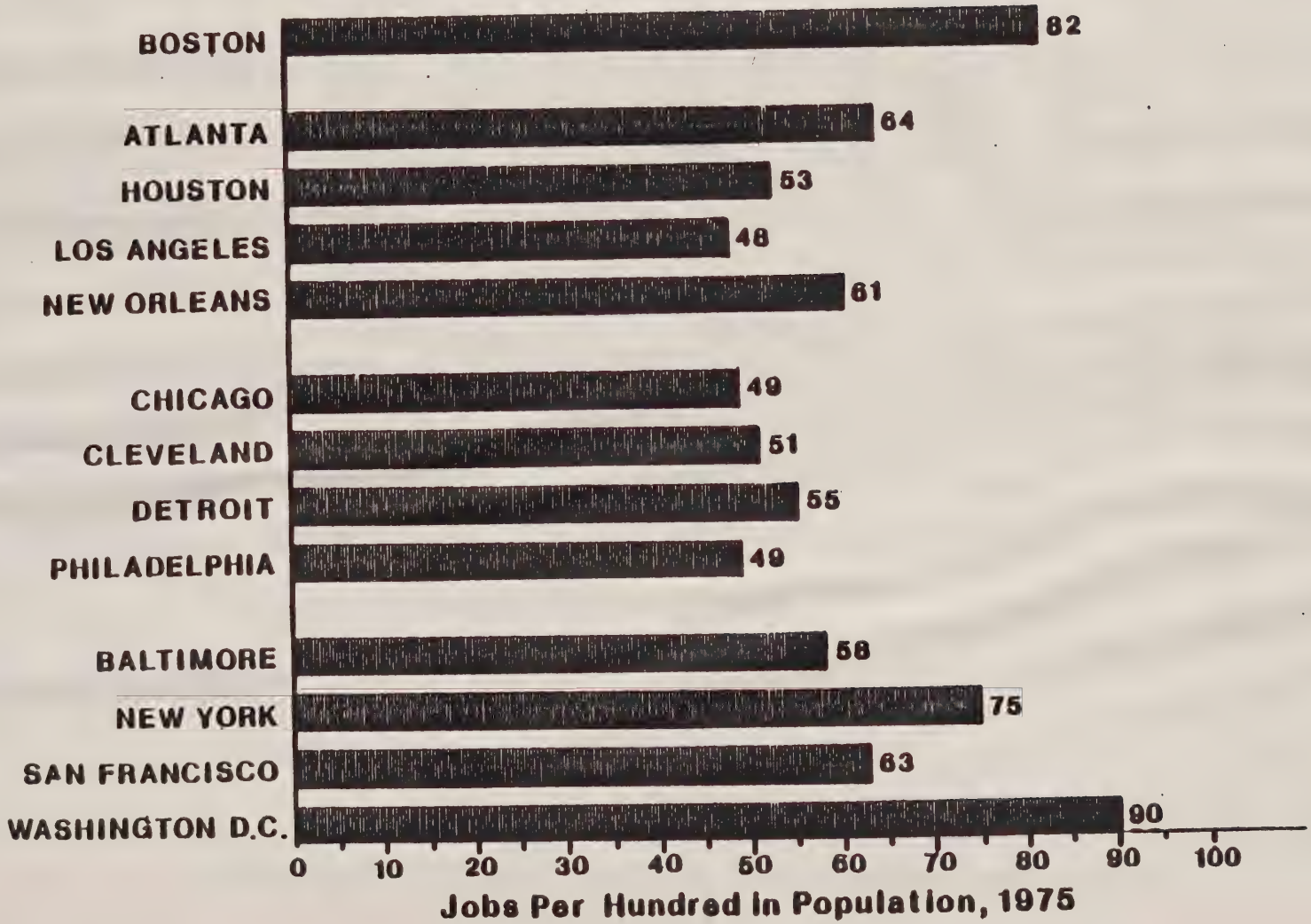
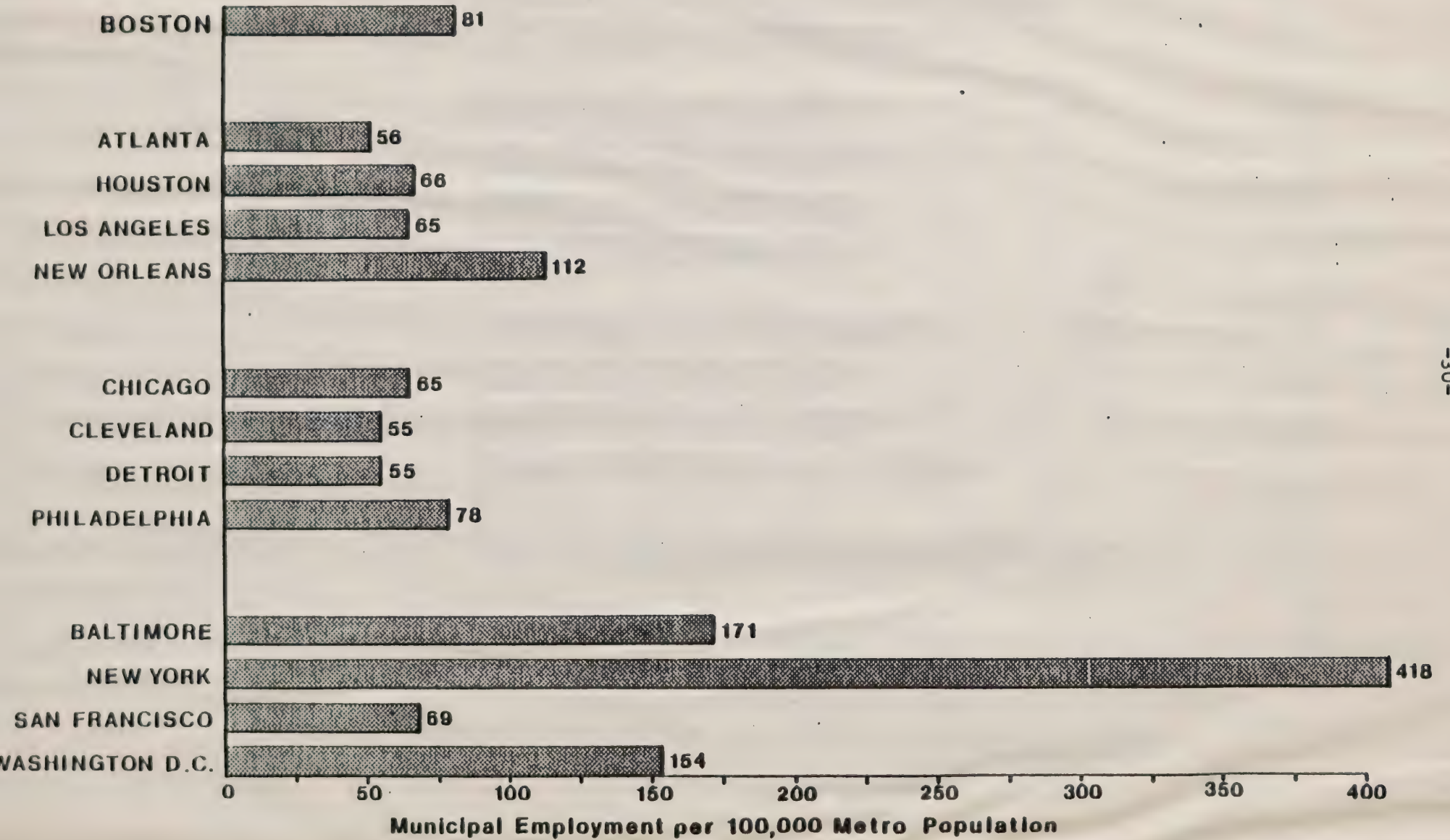


Chart 6

MUNICIPAL ROLES IN BOSTON AND OTHER LARGE CITIES



Source: U.S. Census Bureau

Table 13

STATE REVENUE RAISED IN BOSTON
FISCAL YEAR 1980
(Millions of Dollars)

	State Tax Revenue	Share Raised in Boston	
		Percent	Amount
I. State Individual, Corporate, & Bank Income Tax[1]	$2,369		
City Share of State Gross Product [2]		21.2%	
Estimated State Income Tax Revenue Raised in Boston			$502.2
II. State Sales & Related Taxes Raised [1]	$1,335		
City Share of Sales Tax [3]		10.2%	
Estimated State Sales & Related Taxes Raised in Boston			$136.2
III. State Miscellaneous Taxed Raised [1]	$126		
City Share of Miscellaneous Taxes [4]		10%	
Estimated State Miscellaneous Taxes Raised in Boston			$12.6
IV. Total State Revenue[1]	$3,830		
City Share of State Revenue Raised [5]		17%	
Estimated State Revenue Raised in Boston [5]			$651

Sources: 1) Commonwealth of Massachusetts, Office of the Comptroller, Massachusetts Condensed Annual Report, FY 1980.

2) See Table 3.

3) U.S. Bureau of the Census, Massachusetts, 1977 Census of Retail Trade

4) Estimated.

Table 14

BOSTON'S SHARE OF STATE EMPLOYMENT
1979

	Boston * (Suffolk County)	Massachusetts	As a Percent of Massachusetts
Total	553,271	2,839,820	19.5% *
Farm	-	10,100	0.0
Agriculture & Mining	621	10,849	5.7
Construction	10,291	76,772	13.4
Manufacturing	57,254	670,361	8.5
T.C.P.U.	35,847	120,998	29.6
Trade	92,298	568,665	16.2
F.I.R.E.	66,242	150,050	44.1
Services	186,589	639,428	29.2
Government	92,164	428,367	21.5
Proprietors	11,965	164,230	7.3

* Boston makes up 96 percent of Suffolk County and 18.7 percent of total employment in Massachusetts.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

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State Ethics Commission

I

MEMBERS
JURENBERG (CHAIRMAN)
VER BERNSTEIN
D BRICKMAN
E DOYLE DEELY
A H. KISTLER

SCOTT HARSHBARGER
GENERAL COUNSEL
JAMES GUTENSOHN
EXECUTIVE DIRECTOR

THE STATE ETHICS COMMISSION'S FIRST YEAR:

SUMMARY OF MAJOR ACTIVITIES

The following report summarizes the major activities of the State Ethics Commission in its first year.

The State Ethics Commission is an independent state agency which administers and enforces the Conflict of Interest and Financial Disclosure laws of the Commonwealth. These statutes, Chapters 268A and 268B, work to uphold the quality of public service, and to foster public confidence in the way government is conducted in Massachusetts. Both statutes are based on the principle that public confidence in the impartiality of public servants is essential to the sound functioning of a democratic government. That confidence exists only when the business and offices of government are free from improper influence, particularly influences arising from opportunities for personal gain, or from divided loyalties resulting from private interests in the outcome of particular government decisions or actions. It was to foster and maintain that public confidence in its government that the legislature established the State Ethics Commission in 1978.

FINANCIAL DISCLOSURE

In its first months, the new Commission moved quickly to set up the new financial disclosure system which affects over 3,000 elected officials and top-ranking employees of state and county government. Mindful of the initial uncertainty that accompanies any new law, the Commission made every attempt to work with affected individuals and to balance the "public's right to know" relevant information about public officials and the officials' right to privacy. Comments were solicited and a public hearing was held before drafting the

By December, 1979, the Commission must propose legislation extending disclosure requirements to officials and employees of cities, towns and special districts. The Commission has conducted six state-wide hearings on the issues raised by municipal disclosure and has solicited comments from over 500 local officials in every city and town across the Commonwealth. Over 200 local officials have responded, and their comments are currently being reviewed by the Commission.

CONFLICT OF INTEREST

The Conflict of Interest statute, Chapter 268A, applies to all elected officials and employees in the service of state, county and municipal government. Since assuming responsibility for administration and civil enforcement of Chapter 268A, the Commission has

* received and responded to over 250 requests for confidential advisory opinions from individuals who are or may be subject to the provisions of the Conflict of Interest law

* rendered over 100 formal advisory opinions to elected officials and employees of state and county government

* held a public hearing on the application of Section 7 of Chapter 268A to personal service contracts (as Section 7 is currently interpreted, it bars any state employee from entering into an additional employment arrangement with the Commonwealth or any state agency)

* published the Commission's Conflict of Interest opinions, with names and identifying information deleted to protect the confidentiality of the requesting individual

* ...ken steps to interpret and enforce the ...andards of Conduct in Section 23 of the conflict statute

* informed the heads of all state and county agencies about the Commission's policy and actions regarding the Standards of Conduct

* invited over 200 agency heads to participate in formulating and enforcing Standards applicable to individuals, and

* started to work with individual agencies to develop specific Standards of Conduct for employees of their agencies.

INVESTIGATION AND ENFORCEMENT

Section 4 of Chapter 268B requires the State Ethics Commission to initiate a Preliminary Inquiry into any alleged violations of the Conflict of Interest or Financial Disclosure laws upon receipt of either a sworn complaint or evidence which is deemed sufficient by the Commission. If a Preliminary Inquiry fails to indicate reasonable cause to believe that either law has been violated, the Commission terminates the Inquiry and notifies the subject and the person who brought the complaint. All Commission records and proceedings of a Preliminary Inquiry are confidential.

If the Commission finds "reasonable cause to believe" that either law has been violated, it may, upon a majority vote, initiate a full investigation and other appropriate proceedings to determine whether there has been such a violation. Upon finding a violation, the Commission may impose penalties including fines of up to $1,000, and may seek double damages through civil proceedings in the Superior Court.

While investigation and enforcement are major areas of the Commission's work, it has only recently been in a position to act in this critical area. The Commission currently has 30 cases proceeding through its formal investigative and adjudicatory processes. Of those 30 matters, 10 are in confidential preliminary inquiry stages, 10 have moved to the Commission's

To this end, the Commission has

* published an Information Handbook on the State Ethics Commission, the Conflict of Interest and Financial Disclosure laws

* issued BULLETINS of the Commission, Volume I, Numbers I, II, III

* conducted nine state-wide public hearing on major issues including the 1978 Statements of Financial Interest, Investigative Procedures of the Commission, Interpretation of Section 7 of Chapter 268A, and proposals to extend disclosure requirements to local officials.

* * *